IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1964

No. 602

WALKER PROCESS EQUIPMENT, INC.,
Petitioner,

vs.

FOOD MACHINERY AND CHEMICAL CORPORATION,
Respondent.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Seventh Circuit

BRIEF OF RESPONDENT IN OPPOSITION TO MEMORANDUM FOR THE UNITED STATES AS AMICUS CURIAE IN SUPPORT OF THE PETITION FOR CERTIORARI.

Respondent, Food Machinery And Chemical Corporation, filed its Brief in Opposition to the Petition for Certiorari of Walker Process Equipment, Inc. on December 4, 1964, five days in advance of the required filing date. A copy of the Solicitor General's Memorandum as Amicus Curiae in Support of the Petition for Certiorari was first

received by Respondent on the day following the filing by Respondent of its brief.

Respondent respectfully submits that the Solicitor General's Memorandum was improvidently filed.

(1)

Unquestionably, as the Solicitor General urges, fraud practiced on the Patent Office prejudices the public. Unquestionably, appropriate steps should be taken to curtail and discourage such fraud. This is not to say, however, that the regulatory framework developed by the courts under the Sherman Act authorizes a private action for treble damages founded exclusively on a patentee's procurement of a patent by fraud.

The Solicitor General declines to make explicit what he would like the Court to determine. It is vague and ambiguous to ask the Court to hold ". . . that one who has suffered damage as a result of the suppression of competition under an invalid patent procured by fraud may maintain an antitrust action charging illegal monopolization . . ." (p. 3). The equating of "suppression of competition" with "illegal monopolization" obscures the distinctions between Section 1 and Section 2 Sherman Act requirements. In addition the Solicitor General does not say whether he is arguing for illegality *per se* or only for illegality under appropriate circumstances. Moreover, one cannot tell or infer whether he is saying that maintaining an invalid patent is one thing (of no interest to him?) but if the invalidity results from fraudulent procurement such special invalidity is *sui juris* and amounts to an antitrust violation.

Not only does the Solicitor General refrain from making explicit what he would like the Court to hold, but he

suggests no legal reasons for seeking action from the Court. All that the Solicitor General suggests is that availability of private treble damage actions would aid in law enforcement and would discourage frauds. On the basis of such a suggestion, civil wrongdoings of every character and description should be made the object of treble damage actions.

(ii)

To attack a patent *solely* on the ground of fraud in the procurement is to attack its validity—no more and no less. The Court of Appeals in concluding that fraud on the Patent Office [without more] may not be "turned to use in an original affirmative action, instead of as an equitable defense", merely confirmed a long established doctrine.

In trying to convert its defense into an affirmative claim, Petitioner arbitrarily attached the label of "antitrust". Although the Court of Appeals used "antitrust language" in its opinion, it apparently did so only in terms of considering the stricken pleading in the light of Petitioner's own characterization of its pleading. Such consideration, however, does not alter the fact that the Court of Appeals held only that affirmative relief is not available to a private party allegedly injured by a patentee's fraudulent procurement of its patent.

Had Petitioner labeled its action "unjust enrichment" (as it did at one stage of the pleadings), or unfair competition, or tort, or virtually anything else, the result from the Court of Appeals' point of view would necessarily have been the same. The opinion of the Court of Appeals then should be appreciated merely as a confirmation of the doctrine of *Mowry* v. *Whitney*, 81 U.S. (14 Wall.) 434 and not as an expression of what is or what is not anti-

trust. If the Court of Appeals had found, however, that affirmative relief (in contrast to an equitable defense) was allowable based exclusively and solely on fraudulent procurement of a patent, it then might have faced the question of whether antitrust relief was a permissible type of affirmative relief (a) under any conceivable circumstance, or (b) under the particular circumstances (or lack of circumstances) pleaded by Petitioner.

(iii)

The Court of Appeals opinion does not suggest that fraud on the Patent Office may never be a component of an antitrust claim. The Court of Appeals was not presented with a case in which fraud on the Patent Office was pleaded as part of a predatory scheme, or as a step in a conspiracy, combination or concert of action or agreement of some sort to restrain trade in violation of Section 1 of the Sherman Act, or as an attempted monopolization or monopoly of any line of commerce within the purview of Section 2 of the Act. *

At no time did Petitioner make an effort in its pleadings to delineate a relevant market area, or to suggest that a substantial or meaningful share of the relevant market was foreclosed by any actions of Respondent. Such omission makes it abundantly clear that if Petitioner claimed anything within the antitrust domain, it claimed that the conduct complained of was illegal *per se*.

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* In a *proper case,* as suggested by the Solicitor General's footnote 2, fraud on the patent office may well be a component of an unlawful restraint of trade.

Respondent

~~Petitioner~~ respectfully suggests that no purpose will be served by the Court granting certiorari only to hold that procurement of a patent by fraud on the Patent Office is not a violation *per se* of the Sherman Act.

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